

JOSEPH R. PITTS
16TH DISTRICT, PENNSYLVANIA

COMMITTEE ON
ENERGY AND COMMERCE

COMMISSION ON SECURITY AND
COOPERATION IN EUROPE

CONGRESSIONAL—EXECUTIVE
COMMISSION ON CHINA

ASSISTANT REPUBLICAN WHIP

Congress of the United States
House of Representatives
Washington, DC 20515-3816

August 17, 2009

GABE NEVILLE—WASHINGTON CHIEF OF STAFF
TOM TILLET—DISTRICT CHIEF OF STAFF

420 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-2411

150 NORTH QUEEN STREET
SUITE 716
LANCASTER, PA 17603
(717) 393-0667

POST OFFICE BOX 837
UNIONVILLE, PA 19375
(610) 429-1540

www.house.gov/pitts

Honorable Thomas Vilsack
Secretary of Agriculture
U.S. Department of Agriculture
1400 Independence Ave., S.W.
Washington, D.C. 20250

Dear Secretary Vilsack:

As you are well aware, dairy farmers all across America are facing unprecedented challenges. In the district I serve in southeast Pennsylvania, the dairy crisis is especially severe.

In light of these difficulties, I want to thank you for taking emergency actions to lessen the damage to the dairy industry. I believe your efforts to revive the Dairy Export Incentive Program, increase the buyout price of milk, and systematically review the Federal Milk Marketing Order are important first steps for the dairy industry. But more must be done.

I believe it is important that the federal government work to advance additional measures to stabilize the dairy industry. The “perfect storm” that developed as a result of the financial crisis—low export demand and relatively high feed and energy prices—makes this an emergency that deserves a strong response. It is essential that dairy farmers get the aid they need to weather this storm. Right now, dairy farmers all across my district stand to lose their farms, threatening not just their family businesses but also the local economy.

However, it is equally important that we now begin to look at ways to improve the structure of the dairy industry in America. Failing to revise the underlying problems that have plagued the industry would devastate the long-term wellness of American dairy. Simply extending additional federal aid cannot solve this problem. We must use this current crisis to explore innovations for the dairy industry in America, making it globally competitive and durable.

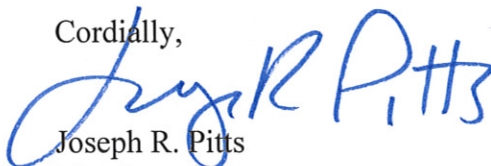
To that end, I am pleased to see that the Federal Milk Marketing Order is undergoing review. This program, established in the 1930s, must be revised to make sure it is properly equipped to handle 21st century dairy needs. In particular, I believe that the federal government should look closely at the mechanism used to set milk prices. We must make sure that the process is transparent and honest. As we learned in the financial crisis, transparency and accountability are essential to any market, including dairy markets.

It is also vital that we work to make American farmers globally competitive again. High export subsidies in other major dairy producing countries reduce our ability to compete. That is why I am supportive of the Dairy Export Incentive Program in the short-term. We need this program until we can work on a bilateral basis with other dairy exporting countries to reduce and eventually remove these trade barriers altogether. Please continue to work diligently to find other ways to reduce unfair dairy trade practices.

I will be meeting with farmers, handlers, producers, and dairy experts this week to get their thoughts on ways to improve the dairy industry. I also welcome your input on additional actions the Administration plans to take to fix this problem, and I look forward to working with you to produce a vibrant dairy industry in America once again.

Thank you again for proactively pursuing measures to reform the dairy industry in America.

Cordially,



Joseph R. Pitts
Member of Congress